



Private Sector Initiatives: MCC's Gateway to Private Sector Engagement

Millennium Challenge Corporation (MCC) programs promote economic growth to reduce poverty and improve the lives of millions of people. MCC investments stimulate market-led expansion of the economy by addressing the systematic and structural barriers that prevent growth and impede business. While significant in size and scope, these programs cannot be the only driver to eliminate poverty or drive development. As the business and investment communities take advantage of the expanding opportunities in MCC countries, they are designed to pull people out of poverty long after MCC's investments are complete. The goal of Private Sector Initiatives is to increase the level of private sector activity and investment in MCC partner countries. If you are interested in collaborating with MCC, please contact the Private Sector Initiatives team by email at psi@mcc.gov or by phone at (202) 521-4073.

Investing in countries that perform

Like any investor, the MCC rewards performance and results, so before a country can be deemed eligible to receive MCC assistance, it must prove its commitment to ruling justly, investing in its citizens and supporting economic freedom. Only the “best of the poorest”—those countries that are actively reforming, fighting corruption, helping their people and encouraging business development—are able to participate. These same characteristics make MCC countries attractive to the private sector. With this in mind, MCC organizes a Trade and Investment Seminar in conjunction with each Compact signing and conducts private sector outreach with and on behalf of its partner countries throughout the process.

Incorporating the private sector's input

When developing MCC-funded programs, recipient countries conduct intensive consultative processes with their private sector and civil society to identify key constraints and opportunities for growth. MCC has developed the Private Sector Input Mechanism (PRISM) to provide a parallel forum for the international private sector to identify impediments to their investments. MCC countries then have the opportunity to address these constraints through compact programs and encourage domestic and international investment. This input could be provided in a number of ways, including seminars, one-on-one meetings, and in writing, depending on the partner country's preference.

Procuring projects from MCC Compacts: There are opportunities for direct engagement with MCC in the Compact development and due diligence phases and in Compact programs through procurements in a wide range of activities. The pre-Compact procurements are mainly conducted by MCC in Washington. The program procurements in MCC countries are administered by country partners who follow MCC Program Procurement Guidelines to competitively select contractors and vendors. For more information on procurement opportunities, please visit www.mcc.gov/procurement.

Collaborating with the business community

On October 22, 2007, MCC signed a memorandum of understanding (MOU) with Microsoft and other USG agencies to promote international development in areas such as economic growth, health, governance, and education. MCC welcomes other MOU opportunities with the private sector that can serve as a framework for future projects. MCC has also worked with entities such as the Business Council for International Understanding (BCIU), the Corporate Council on Africa (CCA) and the Business Council for Capacity Building (BCCB) on Investment and Procurement Forums.

MCC is always looking for opportunities to develop public-private collaborations and recognizes the potential contributions of a wide range of organizations, including US and non-US private businesses, multinational corporations, small and medium-sized enterprises, business and trade associations, labor unions, foundations, and philanthropic leaders, including venture capitalists.

Leveraging Compact funding

MCC's partner countries have an opportunity to leverage their Compact grant funding with private sector investment and financing. To help its partner countries take advantage of this opportunity, MCC is identifying potential innovative and collaborative uses of its grant funding that can make MCC's investment more sustainable while enhancing both the efficiency and developmental benefits of MCC projects. This could open the door to further participation by the business community in investments, financing and trade through mechanisms underpinned by Compact funding.